

SECONDARY MORTGAGE LOAN ACT

LICENSE APPLICATION PROCEDURES (For FIS 1020)

The Commissioner of the Office of Financial and Insurance Services has determined that this application is available for public inspection or copying pursuant to the provisions of the Freedom of Information Act, PA 442 of 1976, MCL 15.231 *et seq*; MSA 4.1801(1) *et seq*, and section 2109 of the Michigan Banking Code of 1999, as amended, MCL 487.12109; MSA 23.710(12109). Accordingly, except as otherwise indicated in this application, the contents of the application shall be disclosed to any person who properly requests an opportunity for inspection, examination, or copying.

I. GENERAL INSTRUCTIONS

- A. Complete only the secondary mortgage loan license OR registration application, not both.
- B. The application for a license must be made in writing (ink or typed) to the Commissioner of the Office of Financial and Insurance Services on the attached forms. If, after investigation, the Commissioner determines that the financial responsibility, experience, character, and general fitness of the applicant, and of the applicant's members, officers, and directors are such as to command the confidence of the community and to warrant belief that the business will be operated lawfully, honestly, fairly and efficiently within the purposes of the Secondary Mortgage Loan Act, the Commissioner will issue and deliver a license to the applicant to engage in the brokering, lending, and/or servicing of secondary mortgage loans pursuant to the Secondary Mortgage Loan Act.
- C. A license application will not be accepted if the required operating fee, investigation fee, proof of financial responsibility deposit, financial statement, etc. is not submitted with the application. A license application will not be accepted if the application contains whiteout or strikeouts.
- D. The Office will not accept an incomplete application. Complete responses to all questions will expedite the processing of the application. Do not leave any question blank - Enter "N/A" or "None" if not applicable.
- E. The application must be filed with original signatures where applicable.
- F. If the applicant is a Corporation, the resident agent and resident agent's address must agree with that on file with the Corporation and Land Development Bureau.
- G. A financial statement is required of all applicants, and must be completed in the APPLICANT'S name.
- H. An applicant that has issued shares of stock must reflect the number of shares issued on the enclosed balance sheet.
- I. The applicant may provide additional information in support of this application as deemed appropriate.

II. STATUS OF APPLICANT

- A. The applicant must be identified as one of the following:

An individual doing business under his or her own name, an individual doing business under an assumed name or trade name, a co-partnership, an association, a limited liability company, a Michigan corporation or a foreign corporation.

- B. The financial responsibility, experience, character and general fitness of the applicant are considered during the processing of the application. If the applicant is a corporation and is operating in other states, the regulators in those states may be contacted to determine their experience with the applicant.
- C. If the applicant is a corporation subject to the disclosure requirements of the Securities Exchange Act, a copy of the most recent annual report filed with the Securities and Exchange Commission (Form 10-K) should be made a part of the application.

III. ACCOMPANYING DOCUMENTS

- A. A Personal Disclosure Statement must be completed and submitted as part of the application. Each individual applicant, partner, member, officer, director, shareholder and affiliate identified on page 2 of the application must submit individual Personal Disclosure Statements. The Confidential Background Information Consent Form must also be completed for each individual who submitted a Personal Disclosure Statement and *must be returned under separate cover* to the address shown on the consent form.
- B. If the applicant is an individual doing business under an assumed name, the application must be accompanied by a certificate executed by the County Clerk verifying compliance with the provisions of Act No. 101, Public Acts of 1907, as amended, [MCL 445.1; MSA 19.821].
- C. If the applicant is a partnership, the application must be accompanied by a certificate executed by the County Clerk indicating compliance with the provisions of Act No. 164, Public Acts of 1913, as amended, [MCL 449.101; MSA 20.111].
- D. If the applicant is a corporation which operates under an assumed name status, the application must be accompanied by a certificate executed by the Corporation and Land Development Bureau indicating compliance with the provisions of section 217 of Act No. 284, Public Acts of 1972, as amended, [MCL 450.1217; MSA 21.200].
- E. If the applicant is a corporation, the application must be accompanied by a certified copy of a Board of Directors Resolution which authorizes submission of the application to the Commissioner of the Office of Financial and Insurance Services on behalf of the corporation. A sample resolution format is enclosed. (See page 7a of the application.)
- F. If the applicant has any additional licenses (real estate, residential builder, etc.), please enclose copies of these with the application.
- G. If the applicant is a corporation, please complete the Affidavit of Official Signing of Application. (See page 8a of the application.)

IV. NET WORTH REQUIREMENTS

- A. Each applicant who will act as a secondary mortgage broker and who receives funds from a prospective borrower prior to the closing of the secondary mortgage loan shall maintain a net worth of not less than \$25,000. Each applicant who will act as a secondary mortgage lender shall maintain a net worth of not less than \$25,000. Each applicant who will act as a secondary mortgage servicer shall maintain a net worth of not less than \$100,000.

Net worth shall be disclosed on a form prescribed by the Commissioner or on a form prepared or reviewed by a certified public accountant and shall be computed in accordance with generally accepted accounting principles. The following assets shall be excluded in the computation of net

worth.

1. That portion of an applicant's assets pledged to secure obligations of any person other than that of the applicant.
2. An asset, except construction loans receivable, secured by mortgages from related companies, due from officers or stockholders of the applicant or persons in which the applicant's officers or stockholders have an interest.
3. An amount in excess of the lower of the cost or market value of mortgage loans in foreclosure, or real property acquired through foreclosure.
4. An investment shown on the balance sheet in joint ventures, subsidiaries, or affiliates, which is greater than the market value of the assets.
5. Good will or value placed on insurance renewals or property management contract renewals or other similar intangible value.
6. Organization costs.

B. If the applicant has issued stock, and if there are 20 or fewer stockholders, please attach copies of the issued stock certificates to the application.

V. An applicant who acts solely as a secondary mortgage broker and who receives funds from a prospective borrower prior to the closing of the secondary mortgage loan or an applicant who acts solely as a secondary mortgage lender shall maintain a deposit or bond in the amount of \$25,000 with the Office. An applicant who acts as a secondary mortgage servicer shall maintain a deposit or bond in the amount of \$125,000 with the Office. Such deposit or bond may be maintained by one of the following means:

- A. A corporate surety bond payable to the Commissioner, executed by a surety approved by the Commissioner. The bond must be written with an expiration date of December 31 of a subsequent year. The bond must be in the format prescribed on page 11a of the license application.
- B. An irrevocable letter of credit upon which the applicant is the obligor. The letter of credit must be in the format prescribed on pages 11b and 11c of the license application. The credit must be issued or confirmed by a Michigan bank, savings bank, savings and loan association, or credit union, the deposits of which are insured by an agency of the federal government. The letter of credit must be written with an expiration date of December 31 of a subsequent year. All letters of credit submitted to the Office are subject to final review and approval by the Commissioner.
- C. An applicant who intends to act as a secondary mortgage broker **ONLY**, and will not receive funds from a prospective borrower prior to the closing of any secondary mortgage loan, must file a "Statement of Exemption of Proof of Financial Responsibility Deposit" form. The prescribed form 11d is included in the application.

VI. FEES

A. Investigation fee

This fee is non-refundable and is required from all applicants making an initial application for a license. It is also required at the time of making a first application for a license after the suspension or revocation of a license.

B. Operating fee

This fee is refundable if the application is denied and is required from all applicants making an initial application for a license and is required annually thereafter for a license renewal.

VII. Mail your check, payable to the State of Michigan, and the complete application to:

Division of Financial Institutions
ATTN: Licensing and Enforcement
P. O. Box 30224
Lansing, MI 48909

If using overnight mail, federal express, etc., mail your check, payable to the State of Michigan, and the completed application to:

Division of Financial Institutions
ATTN: Licensing and Enforcement
333 S. Capitol Avenue, Suite A
Lansing, MI 48933

Questions pertaining to the completion of this license application may be directed to the Division's Licensing and Enforcement at (517) 373-3460.

Application for Secondary Mortgage Loan Act License

(Check appropriate box or boxes)

☐ Broker☐ Lender☐ Servicer

Please read and refer to the accompanying instructions before completing this application.

Name (Corporation, Partnership, Sole Proprietorship, or Individual). Include DBA name(s), if applicable.		
Street Address		
City	State	Zip Code
County	Telephone No. ()	Facsimile No. ()
Federal Taxpayer I.D. No.	State Where Organized	
Date of Organization	Date admitted into Michigan, if Foreign Corporation or Association	
Name of Michigan Resident Agent	Address of Michigan Resident Agent	
Name of state(s) other than Michigan where the applicant or its affiliates currently broker, originate, or service secondary mortgage loans.		

STATUS OF APPLICANT: (Check appropriate box)

☐ An individual doing business
under own name☐ A limited partnership☐ A limited liability company☐ An individual doing business
under an assumed/trade name☐ A general partnership☐ An association☐ A corporation
Michigan corporate I.D. #☐ Other
(describe) _____

If Applicant is other than an individual, list the names of all partners, officers, directors, shareholders and affiliates of the firm, co-partnership or association. "Officers" means chief executive and/or operating officer, president, executive or senior vice president, secretary and treasurer. "Shareholders" means all shareholders if the total number of shareholders equals 20 or less, or if there are more than 20 shareholders, only those shareholders holding (or controlling) at least 20% of the outstanding voting stock. (If more space is required, please attach additional sheets as necessary.)

Officer's Name	Business Address (Street, City, State, Zip Code)
CEO	
President	
Vice President	
Secretary	
Treasurer	

Director's Name	Business Address (Street, City, State, Zip Code)

Shareholder's Name	Stock Ownership (no. of shares)	Stock Ownership (percentage)

Are all Officers, Directors, etc. and their titles, listed above or on a sheet attached to this application? _____

ALL APPLICANTS MUST COMPLETE A FINANCIAL STATEMENT

FINANCIAL STATEMENT AS OF _____
month/day/year

Applicant Name _____

Fiscal Year-end of Applicant _____

ASSETS

Cash on Hand and in Banks \$ _____

Notes Receivable ** _____

Accounts Receivable ** _____

Mortgage Loans and Contracts Receivable _____

Stocks, Bonds and Other Investments ** _____

Furniture, Fixtures and Equipment _____

Real Estate and Buildings ** _____

Other Assets ** _____

TOTAL ASSETS \$ _____

LIABILITIES AND NET WORTH

Notes Payable \$ _____

Accounts Payable _____

Contracts and Mortgages Payable _____

** _____

Other Liabilities ** _____

TOTAL \$ _____

LIABILITIES

Capital Stock \$ _____

Capital Surplus _____

Retained Earnings _____

TOTAL NET WORTH _____

TOTAL LIABILITIES AND NET WORTH \$ _____

** Detail these items on a separate, attached page(s).

Are any of the receivables or other assets shown above due from Officers, Directors, or related companies?
If yes, please detail on a separate page.

DESIGNATED CORRESPONDENT (Responsible for responding to questions relating to this application)

Name		Title	
Street Address		City	
State	Zip Code	Telephone No. ()	

LOCATION OF THE PRINCIPAL U.S. OFFICE OF THE APPLICANT

Name		Telephone No. ()	
Street Address		City	
County	State	Zip Code	

LOCATION OF THE PRINCIPAL MICHIGAN OFFICE OF THE APPLICANT

Name		Telephone No. ()	
Street Address		City	
County	State	Zip Code	

INDIVIDUAL RESPONSIBLE FOR THE MICHIGAN OPERATIONS OF THE APPLICANT

Name		Title	
Street Address		City	
State	Zip Code	Telephone No. ()	

LOCATION WHERE OFFICIAL BOOKS AND RECORDS OF THE APPLICANT ARE KEPT

(If location is different than applicant address, please attach an explanation.)

Name		Telephone No. ()	
Street Address		City	
County	State	Zip Code	

Please identify any additional Michigan office locations at which the business of the applicant is conducted. Attach additional pages as necessary.

Name		Telephone No. ()	
Street Address		City	
County	State	Zip Code	

Certification

I hereby certify that the foregoing APPLICATION is true and correct to the best of my knowledge and belief.
I understand that omissions or inaccuracies may result in denial of the APPLICATION.

Authorized Signature	Title
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STATE OF (_____)

SS

COUNTY OF (_____)

On this _____ day of _____, _____, before me, a Notary Public in and for
said County personally appeared _____ *

known to me to be said person named in and who executed the foregoing application and made oath that the
statements and representations set forth herein are true to the best of his/her knowledge and belief.

(NOTARY SEAL)

Notary Public

My Commission Expires

* Type or print name of person appearing before notary.

Certificate of Resolution

CORPORATE BOARD OF DIRECTORS

(For corporate applicants only)

Resolution MUST be completed in applicant's full name, including DBA name(s), if applicable.

This is to certify that at a _____ meeting of the Board of Directors of _____
Regular or Special
 _____, a corporation organized under the laws of the State
Applicant Name
 of _____, held at the office of said corporation at _____ of
City, Village, or Twp.
 _____, County of _____, State of _____
 on the _____ day of _____, _____, the following resolution was duly and
 legally presented and adopted by majority vote of the Board, to wit:

It being the desire and purpose of the Board of Directors of _____
Applicant Name
 that this corporation should take steps to be licensed as a _____ under the
Broker, Lender and/or Servicer
 provisions of Act No. 125 of the Public Acts of 1981, as amended.

BE IT RESOLVED, that _____ as _____
Name Title
 of this corporation, and in his / her official capacity is hereby authorized and directed to prepare, execute,
 verify, and present to the proper state authorities of the State of Michigan, and for and on behalf of said
 _____, written application under the provisions
Applicant Name
 of Act No. 125 of the Public Acts of 1981, as amended, authorizing the conducting of said business as a
 _____ by this corporation and to do all acts and perform all necessary
Broker, Lender and/or Servicer
 legal requirements on behalf of said corporation to procure the same.

Authorized Signature

Title

Date

Certificate of Resolution

(For general partnership applicants only)

Resolution MUST be completed in applicant's full name, including DBA name(s), if applicable.

This is to certify that at a _____ meeting of the Partners of _____
Regular or Special
 _____, a general partnership organized under the laws of
Applicant Name
 the State of _____, held at the office of said corporation at _____ of
City, Village, or Twp.
 _____, County of _____, State of _____
 on the _____ day of _____, _____, the following resolution was duly and
 legally presented and adopted by majority vote of the Partners, to wit:

It being the desire and purpose of the Partners of _____
Applicant Name
 that this general partnership should take steps to be licensed as a _____
Broker, Lender and/or Servicer
 under the provisions of Act No. 125 of the Public Acts of 1981, as amended.

BE IT RESOLVED, that _____ as _____
Name Title
 of this general partnership, and in his / her official capacity is hereby authorized and directed to prepare,
 execute, verify, and present to the proper state authorities of the State of Michigan, and for and on behalf
 of said _____, written application under the provisions of
Applicant Name
 Act No. 125 of the Public Acts of 1981, as amended, authorizing the conducting of said business as a
 _____ by this general partnership and to do all acts and perform
Broker, Lender and/or Servicer
 all necessary legal requirements on behalf of said corporation to procure the same.

Authorized Signature

Title

Date

Certificate of Resolution

CORPORATE BOARD OF DIRECTORS OF THE GENERAL PARTNER

(For limited partnership applicants only)

Resolution MUST be completed in applicant's full name, including DBA name(s), if applicable.

This is to certify that at a _____ meeting of the Board of Directors of _____
Regular or Special
 _____, a limited partnership organized under the laws of
Applicant Name
 the State of _____, held at the office of said limited partnership at _____ of
City, Village, or Twp.
 _____, County of _____, State of _____
 on the _____ day of _____, _____, the following resolution was duly and
 legally presented and adopted by majority vote of the Board to wit:

It being the desire and purpose of the Board of Directors of _____
General Name
 a general partner of _____ that this limited
Applicant Name
 partnership should take steps to engage in business under the provisions of Act No. 125 of the Public Acts
 of 1981, as amended.

BE IT RESOLVED, that _____ as _____
Name Title
 of this limited partnership, and in his / her official capacity is hereby authorized and directed to prepare,
 execute, verify, and present to the proper state authorities of the State of Michigan, and for and on behalf
 of said _____, written application under the provisions of
Applicant Name
 Act No. 125 of the Public Acts of 1981, as amended, authorizing the conducting of said business as a
 _____ by this general partnership and to do all acts and perform
Broker, Lender and/or Servicer
 all necessary legal requirements on behalf of said corporation to procure the same.

Authorized Signature

Title

Date

Certificate of Resolution

(For limited liability company applicants only)

Resolution MUST be completed in applicant's full name, including DBA name(s), if applicable.

This is to certify that at a _____ meeting of the Members of _____
Regular or Special
 _____, a limited liability company organized under the
Applicant Name
 laws of the State of _____, held at the office of said limited liability company at
 _____ of _____, County of _____,
City, Village, or Twp.
 State of _____, on the _____ day of _____, _____, the
 following resolution was duly and legally presented and adopted by majority vote of the Members, to wit:

It being the desire and purpose of the Members of _____
Applicant Name
 that this limited liability company should take steps to be licensed under the provisions of Act No. 125 of
 the Public Acts of 1981, as amended.

BE IT RESOLVED, that _____ as _____
Name Title
 of this limited liability company, and in his / her official capacity is hereby authorized and directed to
 prepare, execute, verify, and present to the proper state authorities of the State of Michigan, and for and on
 behalf of said _____, written application under the
Applicant Name
 provisions of Act No. 125 of the Public Acts of 1981, as amended, authorizing the conducting of said
 business as a _____ by this limited liability company and to do all acts and
Broker, Lender and/or Servicer
 perform all necessary legal requirements on behalf of said limited liability company to procure the same.

Authorized Signature

Title

Date

Affidavit

Official Signing of Application (For corporate applicants only)

I, _____ of
Name and Title of Official

Applicant Name

a corporation organized in the State of _____, do hereby declare that I am duly authorized to file the foregoing application and that the statements and representations set forth therein are true to the best of my knowledge and belief.

Authorized Signature

Title

STATE OF (_____)

SS

COUNTY OF (_____)

Subscribed and sworn to before me, a Notary Public in and for said County, on this _____ day of

_____, _____.

(NOTARY SEAL)

Notary Public

My Commission Expires

Affidavit

Official Signing of Application (For general partnership applicants only)

I, _____ of
Name and Title of Official

Applicant Name

a general partnership organized in the State of _____, do hereby declare that
I am duly authorized to file the foregoing application and that the statements and representations set forth
therein are true to the best of my knowledge and belief.

Authorized Signature

Title

STATE OF (_____)

SS

COUNTY OF (_____)

Subscribed and sworn to before me, a Notary Public in and for said County, on this _____ day of
_____, _____.

(NOTARY SEAL)

Notary Public

My Commission Expires

Affidavit

Official Signing of Application (For limited partnership applicants only)

I, _____ of
Name and Title of Official

Applicant Name

a limited partnership organized in the State of _____, do hereby declare that
I am duly authorized to file the foregoing application and that the statements and representations set forth
therein are true to the best of my knowledge and belief.

Authorized Signature

Title

STATE OF (_____)

SS

COUNTY OF (_____)

Subscribed and sworn to before me, a Notary Public in and for said County, on this _____ day of
_____, _____.

(NOTARY SEAL)

Notary Public

My Commission Expires

Affidavit

Official Signing of Application (For limited liability company applicants only)

I, _____ of
Name and Title of Official

Applicant Name

a limited liability company organized in the State of _____, do hereby declare
that I am duly authorized to file the foregoing application and that the statements and representations set
forth therein are true to the best of my knowledge and belief.

Authorized Signature	Title

STATE OF (_____)

SS

COUNTY OF (_____)

Subscribed and sworn to before me, a Notary Public in and for said County, on this _____ day of
_____, _____.

(NOTARY SEAL)

Notary Public

My Commission Expires

PERSONAL DISCLOSURE STATEMENT

If the applicant is an individual, please complete the information below and on the next three pages for the individual. If the applicant is other than an individual, complete the information below and on the next three pages for all partners, members, officers, directors, shareholders, affiliates, and the proposed manager identified on page 2 of this application.

Name	Principal Occupation, Employer
Business Street Address	
City / State / Zip Code	Business Telephone No. ()

BUSINESS AFFILIATIONS - List all firms, companies, corporations, or other business organizations of which you are at present a director, officer, employee, partner, member, owner, or affiliate.

Name and Location of Business	Type of Business	Position Held

BUSINESS EXPERIENCE/EMPLOYMENT RECORD DURING THE PAST 10 YEARS:

Date		Name and Location of Business	Type of Business	Position Held
From	To			

[illegible]

PERSONAL DISCLOSURE STATEMENT

Please reply to the following questions:	YES	NO
Have you ever been adjudged as bankrupt or had to work out a compromise with your creditors? If yes, please detail on a separate page.		
Have you ever been convicted of, or pleaded no contest to, any civil or criminal offense involving dishonesty, fraud, or breach of trust? If yes, please detail on a separate page.		
Have you ever been subject to any adverse administrative action with respect to any professional license you hold or have held, including those involving any business or enterprise with which you have been associated as a partner, member, officer, director, shareholder (owning 5% or more of the outstanding voting stock), or affiliate? If yes, please detail on a separate page.		
Has any business or enterprise with which you are or were associated as a partner, officer, director, major shareholder (owning 5% or more of the outstanding voting stock), or affiliate ever been convicted of any criminal matter involving dishonesty, fraud, or breach of trust? If yes, please detail on a separate page.		
Is there any pending civil litigation of any nature in which you are involved as the defendant? If yes, please detail on a separate page.		
Have you ever been convicted of, or pleaded no contest to, any civil or criminal offense? If yes, please detail on a separate page.		

Certification

I hereby certify that the foregoing Personal Disclosure Statement is true and correct to the best of my knowledge and belief. I understand that omissions or inaccuracies may result in denial of the APPLICATION.

Authorized Signature	Title	Date
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Please complete and submit the confidential background information consent form on the following page and return it ***under separate cover*** to the Division of Financial Institutions

CONFIDENTIAL BACKGROUND INFORMATION CONSENT FORM

By signing this Consent, I understand and agree to the following:

The following information about me is necessary to assist the Division of Financial Institutions in evaluating the application of _____ (Applicant). The information will be used to evaluate, among other things, my experience, character, business reputation, and general fitness, as legally required by section 5 of Act No. 125 of the Public Acts of 1981, as amended.

I understand that omissions or inaccuracies in completing the APPLICATION may result in denial of the APPLICATION. The Division may also conduct an independent investigation of me which may include, but not be limited to, contacting federal and state law enforcement agencies, other governmental agencies, and credit reporting agencies. If any information the Division receives indicates a violation of law, the information will be shared with any agency responsible for investigating or prosecuting the violation.

If information about me would warrant denial of the APPLICATION, the Division will give the Applicant, through the person designated for contact, notice of that fact, including a statement of the statutory and factual basis which would warrant denial and the Applicant's rights in respect thereto.

Full Name (Please Print)	Home Telephone No. ()		
Residence Address (Including City, State, and Zip Code)	Date of Birth	Sex	Race
Driver's License No.	Social Security No.		
Other names by which I am now known or have used in the past.			
Other name(s) and social security number(s) under which income tax information is filed, if applicable.			

Authorized Signature	Date
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Please return this Consent form ***under separate cover*** to:

Division of Financial Institutions
Licensing and Enforcement
P. O. Box 30224
Lansing, MI 48909

Bond No. _____

BOND

SECONDARY MORTGAGE BROKER, LENDER, AND/OR SERVICER

KNOW ALL PERSONS BY THESE PRESENTS, That _____
 of _____, State of _____
 as PRINCIPAL and _____
 of _____ as SURETY are held and firmly bound unto the People of the State of Michigan,
 for the use of said State and of any person or persons who may have a cause of action against the above principal under the provisions
 of Act No. 125, Public Acts of 1981, as amended, in the sum of \$ _____, lawful money of the
 United States, to be paid to the said People of the State of Michigan, or its assigns, for payment to be well and truly made, we bind
 ourselves, our heirs, executors, administrators, successors, and legal representatives, jointly and severally, firmly by these presents.

Sealed with our seals, and dated this _____ day of _____, _____.

Whereas, the above bounden principal has received, or is about to receive, a license from the Commissioner, Office of Financial and Insurance Services of said State of Michigan authorizing the PRINCIPAL to engage in the business of a secondary mortgage broker, lender or servicer under the provisions of Act No. 125, Public Acts of 1981, as amended.

The condition of this obligation is such, that if the said principal will conform to and comply with each and every provision of Act No. 125, Public Acts of 1981, as amended, and all rules and regulations lawfully promulgated thereunder by the Commissioner, Office of Financial and Insurance Services of the State of Michigan, and will pay to said State and to such person or persons, any and all monies that may become due or owing to said State and to such person or persons from the obligor, principal, and by virtue of the provisions of said Act No. 125, Public Acts of 1981, as amended, then this obligation shall be void, otherwise it is to remain in full force and effect.

This bond shall be effective _____, _____ and shall be in force for the term ending December 31, _____. This bond may be continued in force for an additional term or terms by suitable continuation certificates executed by the surety with the approval of the Commissioner, pursuant to such regulations as may hereafter be provided.

_____(L.S.)

_____(L.S.)

Principal

IN PRESENCE OF:

_____(L.S.)

_____(L.S.)

Surety

SPECIMEN LETTER OF CREDIT

To be used under Act No. 125 of the Public Acts of 1981, as amended.

IRREVOCABLE STANDBY LETTER OF CREDIT NO. _____

Michigan Department of Consumer & Industry Services
Commissioner of the Office of Financial and Insurance Services
Division of Financial Institutions
333 South Capitol Avenue, Suite A
P. O. Box 30224
Lansing, MI 48909

Commissioner:

We hereby establish our Irrevocable Standby Letter of Credit No. _____ in your favor for the account of _____ (the "Account Party") up to the aggregate amount of U.S. _____.

The credit amount is available to you by your draft(s) on us at sight when accompanied by your signed and dated statement reading as follows:

"The undersigned (the "Commissioner") hereby demands the sum of _____ (*specify*) under _____ (*name of issuing bank*) (the "Issuing Bank") Irrevocable Letter of Credit No. _____ (*specify*) (the "Credit"), issued for the account of _____ (*name of secondary mortgage broker/lender/servicer*) (the "Account Party"), as evidenced by the sight draft accompanying this statement, and certifies that one or more of the following has occurred:

1. The Account Party, at the sole determination of the Commissioner, has not conducted business in accordance with Act No. 125 of the Public Acts of 1981, as amended.
2. The Account Party, at the sole determination of the Commissioner, has not conducted business in accordance with a rule promulgated by the Commissioner, pursuant to Act No. 125 of the Public Acts of 1981, as amended.
3. The Account Party, at the sole determination of the Commissioner, has not paid money as such money has come due.
4. The Commissioner has been notified by the Issuing Bank that it has elected not to extend the expiration date of the Credit, and the Account Party has failed to provide a replacement letter of credit or other proof of financial responsibility specified under Act No. 125 of the Public Acts of 1981, as amended, fully acceptable to the Commissioner, at least sixty (60) days prior to the current expiry of the Credit."

Specimen Letter of Credit

Drafts must be presented at our office at _____ no later than December 31, _____.

All drafts must be marked: "Drawn under Irrevocable Standby Letter of Credit No. _____, dated _____, _____.

It is a condition of the Letter of Credit that it be automatically extended for a period of one year from its present or future expiration date unless we notify you in writing by registered mail at least ninety (90) days prior to such date that we elect not to extend the expiration of this Letter of Credit for such additional period.

We hereby agree with you that drafts drawn under and in compliance with the terms of this credit shall be duly honored on due presentation.

This credit is subject to Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication 500.

Sincerely,

Authorized Signature

STATEMENT OF EXEMPTION OF PROOF OF FINANCIAL RESPONSIBILITY DEPOSIT

This statement of Exemption is made pursuant to section 6 of Act No. 125 of the Public Acts of 1981, as amended, and in conjunction with an application for registration or license as a mortgage broker, to waive the proof of financial responsibility deposit requirement.

Please complete the following information, sign and date the certification, and submit this form to the Division of Financial Institutions as part of your registration or license application.

APPLICANT NAME AND ADDRESS: _____

Certification

I hereby certify that the above-named applicant acts solely as a mortgage broker as defined under Act No. 125 of the Public Acts of 1981, as amended, and does not receive funds from a prospective borrower prior to the closing of any mortgage loan. The registrant or licensee understands that the collection of any such funds without first providing a proof of financial responsibility deposit acceptable to the Commissioner, may be grounds for immediate revocation, suspension, or non-renewal of its registration or license.

Authorized Signature	Title
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STATE OF (_____)
 COUNTY OF (_____) SS

On this _____ day of _____, _____, before me, a Notary Public in and for said County personally appeared _____ *

known to me to be said person named in and who executed the foregoing application for exemption and made oath that the statements and representations set forth herein are true to the best of his/her knowledge and belief.

(NOTARY SEAL)

 Notary Public

* Type or print name of person appearing before notary.

 My Commission Expires